



# 2002 *Legislative Update*

Update for the 21st District

## Senator Paull Shin



Spring 2002

Dear Friends,

Every April, budding tulips, daffodils and cherry blossoms signal nature's wondrous rebirth. In Washington, the beauty associated with spring also generally indicates that the Legislature has adjourned.

It's hard to believe that this year's session is now behind us. Under an enormous time constraint, both the Senate and House of Representatives worked cooperatively to come up with reasonable solutions to our state's most pressing problems.

The Legislature accomplished a lot in this short, 60-day session. We approved funds for worker retraining — something that will benefit our district greatly, in light of Boeing's layoffs. We expanded the scope of collective bargaining for state employees and at all four-year colleges, including University of Washington faculty and teaching assistants.

Most important, in spite of a \$1.5 billion deficit, we crafted and approved a budget with no general tax increases.

We also passed a transportation package that will address the state's number one problem: traffic congestion. As the population continues to grow, the traffic crunch worsens with each passing year. We developed a \$7.7 billion transportation improvement plan for highways, bridges, ferries, trains and transit. The package will go to the voters as a ballot measure in November.

Many difficult choices lie ahead for next year's Legislature. As always, it is an honor and privilege to serve all of you. Please feel free to write, call or e-mail me with your views on or concerns about the important public policy that affects all of our lives.

Sincerely,

Paull Shin  
State Senator, 21st District

*"As always, it is an honor and privilege to serve all of you."*

## Keeping In Touch

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## The Budget Crisis — How Did We Get Here?

After the Legislature passed the 2001-03 budget last session, the economy began to fall into what was expected to be a temporary recession and revenue projections dropped.

The unconscionable terrorist attacks on our country made a bad situation even worse. And absolutely no one could have written a budget last session that would have withstood the events of Sept. 11. When Boeing announced that some 30,000 employees would be laid off — primarily as a result of Sept. 11 — the state was short more than \$800 million.

Funds we used to count on, such as those generated by the Motor Vehicle Excise Tax and the lottery, evaporated when voters approved several initiatives.

At the same time, the needs in Washington — currently experiencing one of the highest unemployment rates in the country — continue to grow.

- Our public schools must make room for thousands of new students.
- The Department of Social and Health Services and the Department of Corrections continue to see larger caseloads.
- The state's colleges and universities are facing a larger demand because of job retraining and the baby "boomlet" now entering these schools.

- Fire-fighting costs increased to a record level this past summer.

In addition to this growth, lawsuits for K-12

salaries, part-time faculty benefits and foster-care payments are costing the state a bundle. And health-care costs — swelling at two to three times the rate of inflation — continue to skyrocket.



Just when we thought things couldn't get worse, along came the February revenue forecast, down by an additional \$247 million — bringing the deficit to \$1.5 billion.

Normally during an even-numbered year the Legislature makes simple adjustments to the budget. But because of the economic downturn, we basically had to start from scratch this year.

## The Budget

While the final budget was far from perfect, we were able to do what everyone said couldn't be done: balance the budget without a general tax increase and without decimating human services. And we did it in 60 days.

The budget reflects the slowest annual growth in spending — less than one-tenth of 1 percent — of any state budget in the past decade.

But to get the state out of a bind, everyone had to take a hit. Reductions were made in every state agency and program.

**Almost half of the budget is balanced with cuts and savings (\$684 million). Among them:**

- state government spending — \$89 million reduction;
- state employees' health-care benefits — \$41 million reduction;
- state employees' 2.6 percent cost-of-living adjustment (COLA) is canceled and state-contracted vendors' COLAs are reduced to 1.5 percent — \$59 million reduction;
- public schools — \$92 million reduction; and
- higher education — \$57 million reduction.

**The other half of the budget hole is filled with reserve funds and transfers, new revenue and tobacco "securitization."**

- The budget uses \$301 million in reserves and fund transfers, leaving about \$272 million in reserves.

- Some \$122 million in new revenues are assumed, including \$24 million for Washington's participation in a multistate lottery called the Big Game.

- We also securitize about one-quarter of the state's 1998 settlement of the national tobacco litigation — a financial tool used by at least six states and being considered by 11 other states this year. Doing so allows us to use \$450 million to offset our deficit without having to rely on additional, less-stable Medicaid "Proshare" money.

It would have been almost impossible to cut deeper or propose a general tax increase at this time. What we produced was a true compromise between the Senate and the House of Representatives.

## Capital Budget

The capital budget includes funding for building and construction projects, and much of it is financed through the sale of bonds. I am pleased to inform you that the 21st District will get \$300,000 from the capital budget to make improvements to our beautiful **Edmonds Waterfront Park**.

## Worker Retraining

The Sept. 11 terrorist attacks have had a distressing effect on commercial aircraft production. Thousands of Boeing families have been affected by the dramatic decline in new aircraft orders.

To help the 30,000 laid-off aerospace and other dislocated workers build new skills and find good jobs, the Legislature passed a bill to grant tens of millions of dollars for education and retraining. The measure:

- adds \$34 million for training benefits specifically for aerospace workers to the \$20 million available for all dislocated workers;



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- gives a six-month extension to the June 30 deadline to apply for an extra 11 months of benefits that dislocated workers are allowed for retraining purposes;
- makes dislocated workers eligible for additional benefits to complete training programs started within the past five years; and
- helps businesses avoid a possible 30 percent increase in unemployment insurance taxes next year — Boeing alone is expected to save \$16 million a year.

While commercial aircraft manufacturing is a cyclical business, Washington's working families deserve a helping hand to get back on their feet. These retraining funds will help displaced workers build a brighter future.

## Transportation

I believe the transportation plan the Legislature approved will make long-overdue safety improvements to state highways, put thousands of people to work, allow goods to reach market more quickly and reduce the time commuters spend sitting in traffic.

While the Legislature passed both a transportation improvement plan and a revenue package, the final decision will be up to the voters in November via a ballot measure.



The proposal would raise \$7.7 billion during the next decade for highways, ferries, rail and public transportation throughout the state.

The revenue would be generated from a 9-cent gas tax increase, a 1 percent vehicle sales tax hike and a trucking fee increase of 30 percent. 21st District and Snohomish County projects include:

- \$25 million for improvements at the 196th Street interchange in Lynnwood;
- \$17 million for the 212th Street Southeast and 176th Street Southeast — additional lanes in Clearview;
- \$50 million for state Route 9 corridor improvements;
- \$16 million for 24th Avenue Southwest to state Route 527 — additional lanes in Lynnwood;
- \$230 million for state Route 526 to Highway 2 carpool lanes in Everett;
- \$2.2 million for a combination ferry-train-bus facility in Edmonds;
- \$107.8 million for a combination ferry-train-bus facility in Mukilteo; and
- \$31 million for Seattle-to-Everett rail improvements.

According to Senate Transportation Committee estimates, this plan would cost Washington motorists an average of \$68 more each year when it is fully implemented in 2004.

The Senate Transportation Committee also estimates 20,000 jobs will be created by these transportation projects around the state during the next 10 years. That employment will make a world of difference during these tough economic times. Not only will we increase our ability to move freight and to get people where they need to be, but we will be putting more people to work in high-paying construction jobs.

## School Bullying

The governor recently signed into law an important measure that puts schools on notice that bullying will no longer be tolerated in our state. More specifically, it requires teachers, principals and parents to intervene to stop harassment and bullying in our schools.



## Credit Scoring

In the interest of consumer protection, the Legislature approved a measure that restricts the insurance industry's use of the controversial practice of credit scoring.

A credit score is a number generated by a computer analysis of data in a consumer's credit history. Contending that credit scores help insurers accurately predict losses, the insurance industry uses the score to decide whether to offer coverage and what to charge for automobile and home policies.

Even if you've always paid your bills on time and never had a traffic ticket, your insurance company can cancel your coverage — or raise your rates.

This bill will limit this unfair practice in Washington.

## Sick Leave

More workers are becoming sandwiched between caring for their children and caring for aging parents. They need more flexibility in how they balance work and family, which is the goal of the family care law. Legislation we passed allows workers with sick leave or paid leave — 50 percent of our state's work force — to use it to care for an ill spouse, parent, grandparent, in-law or child.



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## Brightwater

As you may know, King County has selected two locations in Snohomish County as possible sites for its proposed Brightwater sewage treatment facility. According to the Growth Management Act, local jurisdictions have control over the future growth of their communities. They have developed comprehensive plans in accordance with the act. However, under current state law, King County has the power to condemn property outside its established service area for the siting of essential public facilities, regardless of local comprehensive plans.

Because the people in Snohomish County are not represented by King County, I sponsored Senate Bill 6366, which would have ensured that our

district's residents have a voice in the process. Specifically, it would have prevented a metropolitan municipal corporation such as King County from condemning lands outside its service area unless the local government involved agreed that the project complied with its comprehensive plan.

Even with strong support from legislators of both parties, this bill — a measure that upholds our ideas of fairness, democracy and representative government — failed to make it through both chambers this session. Despite this temporary setback, I am dedicated to this issue and plan to pursue it in the future.

I would like to sincerely thank the people of the 21st District who worked so hard in support of this groundbreaking piece of legislation.

I appreciate your letters, phones calls and testimony at committee hearings. And I am proud of your commitment to this issue of statewide significance.

## E-Update

Occasionally, I send out a quick, informal newsletter via e-mail. It's an easy way for you to get the most current information about what's happening in Olympia. If you'd like to be added to the mailing list, please contact my legislative assistant

Scott Passey by e-mail at [passey\\_sc@leg.wa.gov](mailto:passey_sc@leg.wa.gov) or by phone in the district office at (425) 673-1393.

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